

LOUISIANA GUIDEBOOK TO THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009



CURRENT AS OF JUNE 2009

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INTRODUCTION

On February 18, 2009 Congress passed and President Obama signed into law, H.R. 1, the American Recovery and Reinvestment Act of 2009 (also referred to as the Stimulus, Recovery Act, or ARRA) which provides nearly \$800 billion in federal spending and tax cuts to create or save millions of jobs and provide assistance to unemployed Americans.

The ARRA legislation is over 1,000 pages and provides the framework for federal agencies to provide additional funding to existing programs or to provide new programs. This guidebook is intended to provide you a clear overview of ARRA and what resources are available to your parishes, cities, educational institutions, Indian tribes, businesses, and non-profits. It is intended to be a starting point for where to seek additional, detailed information. While every effort has been made to ensure the accuracy of this guidebook, much of the policies and procedures of the ARRA programs are still under development and information is continually updating.

The guidebook is organized into three chapters on ARRA Administration in Louisiana, State-Run ARRA Programs, and Non-State ARRA Programs.

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Chapter 1: ARRA Administration in Louisiana

1.1 ARRA Programs, Projects, and Grantees

The American Recovery and Reinvestment Act (also referred to as the ARRA, Recovery Act, or Stimulus) provided **federal agencies** with additional funding for **existing programs** and new funding for **new programs**. Federal agencies distribute the funding from ARRA through **formula, competitive and “combination” grants** to a myriad of entities such as **states, parishes, cities, tribal governments, educational institutions, metropolitan planning organizations, non-profit and for profit entities**.

Formula grants are calculated based on metrics that pertain to the goals of the program such as population, rates of foreclosure, environmental pollution, or a variety of other factors. Formula grants are direct allocations to state and local entities that are not competitive, though in many cases the federal agencies require grantees to develop a plan or proposal for the use of the funds.

Competitive grants from federal agencies require an application provided by the respective federal agency and can be awarded to a variety of grantees such as states, parishes, cities, tribal governments, educational institutions, metropolitan planning organizations, non-profit and for profit entities. Combination grants are grants that federal agencies awarded to states – based on formula calculations or grant applications – that can or are required to be sub-granted to non-state entities. Each distinct effort undertaken within a program can, for the most part, be termed a **project**. For example, the U.S. Department of Transportation has a Highway Repair Program, of which one project may be to restore a certain bridge. There are, however, ARRA programs that do not have projects, such as funding increases to existing social service programs federal reimbursement.

1.2 Federal ARRA Administration

The American Recovery and Reinvestment Act (also referred to as the ARRA, Recovery Act, or Stimulus) established the federal Recovery Accountability and Transparency Board. The board is comprised of nine inspectors general of federal agencies and a chairman that is appointed by

President Obama. The board maintains the comprehensive federal recovery website – www.recovery.gov – and reviews quarterly and annual reports from states and other grant recipients on the use of ARRA funds. This website provides links to the recovery website of every federal agency administering ARRA programs.

1.3 State of Louisiana ARRA Administration

The State of Louisiana Division of Administration and the Louisiana Recovery Authority are currently the lead agencies for administration and coordination of the ARRA in Louisiana. These agencies have established an ARRA Task Force which is comprised of designees from each of the state departments, agencies, and other state entities responsible for any portion of ARRA funds. The State ARRA Task Force meets regularly to share information on the state's general administration of ARRA as well as information gleaned by state department points of contact. State department ARRA points of contact generally have excellent and current information from their federal agency counterparts and national professional organizations.

The ARRA Task Force maintains the Louisiana ARRA information and transparency website – www.stimulus.la.gov – with detailed program and project information that is updated for the public on a quarterly basis. The website provides grant contact, job creation, and expenditure information.

The federal government Office of Management and Budget has issued guidance for billing the federal government for ARRA administration costs incurred by state at http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html.

1.4 Local Government and Other Non-State ARRA Administration

The State of Louisiana is only responsible for accountability and reporting of funds that at any point pass through *state entities*. If a parish or non-profit, for example, receives a grant directly from a federal agency, the state is not currently responsible for reporting and accountability on the grant. If, on the other hand, a state department sub-grants to a parish or non-profit, for example, the state is responsible for collecting information on the sub-grant and for reporting and accountability on the sub-grant.

Local governments and recipients of direct federal grants are responsible for tracking, reporting, and record keeping relative to ARRA. You are strongly encouraged to review your administrative capacity and develop the procedures necessary to meet the unique and expedited requirements of ARRA. Administration costs can be funded through ARRA programs. Guidance on how to bill ARRA administrative costs is available for the following:

- Local Governments and Tribal Governments
http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html
- Non-Profit Organizations
http://www.whitehouse.gov/omb/circulars_a122_2004/

1.5 ARRA General Provisions Affecting All Grantees

There are several general provisions of the Act that affect most, if not all, of the ARRA programs. The requirements of ARRA must be met by each entity administering any portion of the ARRA funds, including state and local governments, state and local organizations, and non-profit entities. The legislation language is available online at www.recovery.gov and is searchable by section and keyword. The following is a short summary of general provisions to keep in mind:

- Sections 902, 1514, 1515 – OIG/GAO access to all documents related to ARRA funds.
- Section 1512 – All grantees must segregate ARRA, track, and report results and incurred costs.
- Section 1604 – Appropriated funds cannot be used for casino, aquarium, zoo, golf course, or swimming pool projects.
- Section 1605 – ARRA projects must use American iron, steel, and manufactured goods (waivers are available under certain conditions).
- Section 1606 – Laborers and mechanics are to be paid prevailing wages (also known as Davis-Bacon Wage Reporting).
- Section 1607 – The governor must certify and the state legislature must approve willingness to accept ARRA funds.*

- Section 1609 – All projects must be in compliance with National Environmental Policy Act requirements (also known as federal environmental reviews).
- Grant recipients must ensure all procurement and contracting actions relative to ARRA funds are compatible with federal procurement guidelines that encourage fair and open competition, with the selection of the most qualified firms (in the case of professional and engineering services) and the most cost-effective bids (in the case of supplies and equipment purchasing and construction bids). Grant recipients will be required to demonstrate and maintain records certifying that all of their procurement actions adhere to these federal standards. Grant recipients must avoid conflicts of interest (a real or seeming incompatibility between a person's private interests and his or her public or fiduciary duties) but should encourage fair small business participation.

1.6 ARRA Registration for Grants and Federal Contracting Opportunities

Grant, loan and contracting seekers will have to register their organization with the government to apply for funds. Visit www.grants.gov and the Central Contractor Registration (CCR) website at www.ccr.gov to learn how to register your organization. It can take up to ten days for CCR registration to take effect, so register in advance. For many grants, you may also need a Dun and Bradstreet number (DUNS). If your organization does not have a DUNS number, one can be obtained telephonically at (866) 705-5711 or by visiting <https://eupdate.dnb.com>.

Chapter 2: State-Run ARRA Programs

2.1 State-Run ARRA Programs

The State of Louisiana is currently tracking state ARRA funds by state department.¹ In total, the State of Louisiana departments are poised to receive at least \$3.6 billion dollars as a result of formula and some competitive grant allocations. In addition, several state agencies have applied or intend to apply for competitive grants available from federal agencies. In many cases state agencies choose or are required by the federal government to sub-grant a portion of these ARRA funds to local government or other entities. However, recall that the state is not currently responsible for tracking or applying for federal agency grants that go directly to local governments, non-profits and other non-state entities. ARRA funds that are formula allocated or competitively awarded to non-state entities in Louisiana are expected to exceed \$500 million dollars.

Table 2.1 lists the 23 State of Louisiana departments currently receiving allocations from associated federal agencies. The grants range from increases to the federal share of Federal Medicaid Assistance to the State Energy Program – providing state grants to increase energy efficiency. Please visit www.stimulus.la.gov for details on each of the ARRA grants currently available to state departments.

¹ The term *state department* is used in the broad sense to refer to each official State of Louisiana government body with the authority to direct and enact duties of the state. For our purposes, department is a general term that may include commissions, agencies, authorities, boards, and divisions.

Table 2.1

Louisiana State Department Receiving ARRA Allocations from Federal Agencies

State Department	Associated Federal Agency
Attorney General	Unspecified
Board of Regents	U.S. Department of Education
Office of Culture, Recreation, and Tourism	U.S. Department of Education
Department of Agriculture and Forestry	U.S. Department of Agriculture
Department of Education	U.S. Department of Education
Department of Environmental Quality	U.S. Environmental Protection Agency
Department of Health and Human Services	U.S. Department of Health and Human Services
Department of Natural Resources	U.S. Department of Energy
Department of Public Safety and Corrections	Via state departments
Department of Social Services	U.S. Department of Health and Human Services
Department of Transportation and Development	U.S. Department of Transportation
Department of Wildlife and Fisheries	U.S. Department of Commerce
Division of Administration	U.S. Department of Education
Governor's Office of Coastal Activities	National Oceanic and Atmospheric Association, U.S. Army Corps of Engineers
Governor's Office of Homeland Security and Emergency Preparedness	Federal Emergency Management Agency
Louisiana Agriculture Finance Authority	U.S. Department of Housing and Urban Development, Internal Revenue Service
Louisiana Commission on Law Enforcement	U.S. Department of Justice
Louisiana National Guard	U.S. Department of Defense
Office of Community Development	U.S. Department of Housing and Urban Development
Workforce Commission	U.S. Department of Labor

2.2 ARRA Sub-grants from State Departments

State departments may sub-grant all or a portion of the ARRA funds, depending on the restrictions and requirements of the programs, to non-state entities. Many ARRA programs do not permit sub-grants or are unsuitable for units of government smaller than state departments to carry out. Entities who wish to apply to state departments for ARRA funds should review all the programs of interest at www.stimulus.la.gov to determine if the funds may be sub-granted. If sub-grants are permitted, non-state entities should contact the department directly or seek information on the program via the department's website.

Although many federal agencies have not yet issued final ARRA program guidance, several ARRA programs have met early deadlines and, as such, several opportunities to apply to for ARRA funds from state departments have already passed. The deadlines for every program differ. The best way to stay informed is to keep in contact with the state departments responsible for state ARRA programs.

2.3 State Accountability and Transparency

State departments are required to adhere to the general provisions of ARRA as well as the individual rules and regulations of the federal programs in which they are participating. Detailed tracking of expenditures and progress will be available on the state's ARRA tracking website.

Businesses interested in applying for ARRA funded work should register with and continue to monitor the State of Louisiana Procurement and Contract Network website at <http://doa.louisiana.gov/osp/lapac/pubmain.asp>.

Chapter 3: Non-State ARRA Programs

3.1 ARRA and Non-State Entities

Louisiana has a wealth of quality of life, natural resources, culture, history, a highly skilled workforce, and opportunity. ARRA competitive grants are intended to preserve and create jobs, those most affected by the recession – by providing health care, education, and energy reforms, fund advancements in science and health care – with the goal of creating a more efficient economy, invest in transportation, environmental protection and other infrastructure that will provide long-term economic benefits, and assist state and local governments impacted by the national recession.

Many local governments and Metropolitan Planning Organizations (MPOs) have been awarded direct formula allocations under ARRA. The ARRA Task Force encourages you to notify us of additional direct formula allocations your parish or city is receiving.

3.2 ARRA Competitive Grants

Parishes, cities, tribal governments, educational institutions, metropolitan planning organizations, non-profit and for profit entities are eligible to apply directly to federal agencies for many ARRA competitive grants. This section provides an overview on the federal competitive ARRA grants available and whom to contact for more information on the application process.

A good way to approach this section is to consider the strengths and needs of your organization. Once you identify a project or program that you could accomplish, were funding available, think about which federal agency may offer funding for those types of projects or programs. Very often, you may want to check under multiple federal agencies. For example, if a parish wanted to improve the energy efficiency of low-income housing, the parish should look under the federal agency charged with financing affordable housing – U.S. Department of Housing and Urban Development – and the federal agency responsible for energy efficiency – the U.S. Department of Energy.